

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES  
DIVISION OF HEALTH CARE SERVICES  
HEALTH PLANNING AND SYSTEMS DEVELOPMENT

SEAN PARNELL, GOVERNOR

350 Main Street, Room 530  
P.O. Box 110660  
JUNEAU, AK 99811-0660  
PHONE: (907) 465-3091  
FAX: (907) 465-6861

April 13, 2010

**Certified, Return Receipt Requested** #7007 0710 0000 1695 2098

Paul G. Morris, Chief Financial Officer  
Alaska Regional Hospital  
2801 DeBarr Road  
Anchorage, Alaska 99508

Dear Mr. Morris:

Thank you for your letter of March 5, 2010 and subsequent cost estimates requesting a determination on whether a certificate of need (CON) is required for renovation and purchase of equipment to add two or three bassinets for a Newborn Intensive Care Level III Unit (NICU). The unit will be located in the existing NICU department at Alaska Regional Hospital.

I have determined that a CON is not required under 7 AAC 07.031 based on the following information:

1. A certified cost estimate for the project by KPB Architects estimated the cost of renovation for 2,724 square feet at \$299,640.
2. Equipment costs are estimated at approximately \$395,814.
3. The total cost estimate of \$695,454 is below the current threshold that requires submission of a CON application under AS 18.07.031.
4. The number of licensed beds or square footage for the hospital is unchanged with this project.

If plans or cost estimates change regarding renovation, scope or location of the service, or equipment and the total is anticipated to be more than the current CON threshold (\$1,300,000), this office must be notified as a Certificate of Need may be required.

If you are dissatisfied with this determination you may request reconsideration under 7 AAC 07.033, or may appeal the decision under 7 AAC 07.080. An appeal or request for determination must be postmarked no later than 30 days after publication of the public notice.

Sincerely,



Karen Lawfer  
Certificate of Need Coordinator